



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2441

by Rep. Robert Martwick

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.891 new	
30 ILCS 330/2	from Ch. 127, par. 652
30 ILCS 330/2.5	
30 ILCS 330/7.8 new	
30 ILCS 330/9	from Ch. 127, par. 659
30 ILCS 330/11	from Ch. 127, par. 661
30 ILCS 330/12	from Ch. 127, par. 662
30 ILCS 330/13	from Ch. 127, par. 663
40 ILCS 15/1.10 new	

Amends the General Obligation Bond Act. Authorizes the issuance of an additional \$105,620,000,000 in State State Serial Long Term Pension Obligation Bonds. Amends the State Pension Funds Continuing Appropriation Act to create a continuing appropriation for payments on those Bonds. Amends the State Finance Act to create the State Pension Serial Long Term Obligation Bond Fund. Effective immediately.

LRB101 05139 RJF 50151 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 3. The State Finance Act is amended by adding
5 Section 5.891 as follows:

6 (30 ILCS 105/5.891 new)

7 Sec. 5.891. The State Serial Long Term Pension Obligation
8 Bond Fund.

9 Section 5. The General Obligation Bond Act is amended by
10 changing Sections 2, 2.5, 9, 11, 12, and 13 and by adding
11 Section 7.8 as follows:

12 (30 ILCS 330/2) (from Ch. 127, par. 652)

13 Sec. 2. Authorization for Bonds. The State of Illinois is
14 authorized to issue, sell and provide for the retirement of
15 General Obligation Bonds of the State of Illinois for the
16 categories and specific purposes expressed in Sections 2
17 through 8 of this Act, in the total amount of \$163,337,925,743
18 ~~\$57,717,925,743~~.

19 The bonds authorized in this Section 2 and in Section 16 of
20 this Act are herein called "Bonds".

21 Of the total amount of Bonds authorized in this Act, up to

1 \$2,200,000,000 in aggregate original principal amount may be
2 issued and sold in accordance with the Baccalaureate Savings
3 Act in the form of General Obligation College Savings Bonds.

4 Of the total amount of Bonds authorized in this Act, up to
5 \$300,000,000 in aggregate original principal amount may be
6 issued and sold in accordance with the Retirement Savings Act
7 in the form of General Obligation Retirement Savings Bonds.

8 Of the total amount of Bonds authorized in this Act, the
9 additional \$10,000,000,000 authorized by Public Act 93-2, the
10 \$3,466,000,000 authorized by Public Act 96-43, and the
11 \$4,096,348,300 authorized by Public Act 96-1497 shall be used
12 solely as provided in Section 7.2.

13 Of the total amount of Bonds authorized in this Act, the
14 additional \$6,000,000,000 authorized by this amendatory Act of
15 the 100th General Assembly shall be used solely as provided in
16 Section 7.6 and shall be issued by December 31, 2017.

17 Of the total amount of Bonds authorized in this Act,
18 \$1,000,000,000 of the additional amount authorized by this
19 amendatory Act of the 100th General Assembly shall be used
20 solely as provided in Section 7.7.

21 Of the total amount of Bonds authorized in this Act, the
22 additional \$105,620,000,000 authorized by Section 7.8 shall be
23 used solely as provided in Section 7.8.

24 The issuance and sale of Bonds pursuant to the General
25 Obligation Bond Act is an economical and efficient method of
26 financing the long-term capital needs of the State. This Act

1 will permit the issuance of a multi-purpose General Obligation
2 Bond with uniform terms and features. This will not only lower
3 the cost of registration but also reduce the overall cost of
4 issuing debt by improving the marketability of Illinois General
5 Obligation Bonds.

6 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

7 (30 ILCS 330/2.5)

8 Sec. 2.5. Limitation on issuance of Bonds.

9 (a) Except as provided in subsection (b), no Bonds may be
10 issued if, after the issuance, in the next State fiscal year
11 after the issuance of the Bonds, the amount of debt service
12 (including principal, whether payable at maturity or pursuant
13 to mandatory sinking fund installments, and interest) on all
14 then-outstanding Bonds, other than (i) Bonds authorized by
15 Public Act 100-23, (ii) Bonds issued by Public Act 96-43, (iii)
16 Bonds authorized by Public Act 96-1497, ~~and~~ (iv) Bonds
17 authorized by this amendatory Act of the 100th General
18 Assembly, and (v) Bonds authorized by this amendatory Act of
19 the 101st General Assembly, would exceed 7% of the aggregate
20 appropriations from the general funds (which consist of the
21 General Revenue Fund, the Common School Fund, the General
22 Revenue Common School Special Account Fund, and the Education
23 Assistance Fund) and the Road Fund for the fiscal year
24 immediately prior to the fiscal year of the issuance.

25 (b) If the Comptroller and Treasurer each consent in

1 writing, Bonds may be issued even if the issuance does not
2 comply with subsection (a). In addition, \$2,000,000,000 in
3 Bonds for the purposes set forth in Sections 3, 4, 5, 6, and 7,
4 and \$2,000,000,000 in Refunding Bonds under Section 16, may be
5 issued during State fiscal year 2017 without complying with
6 subsection (a). In addition, \$2,000,000,000 in Bonds for the
7 purposes set forth in Sections 3, 4, 5, 6, and 7, and
8 \$2,000,000,000 in Refunding Bonds under Section 16, may be
9 issued during State fiscal year 2018 without complying with
10 subsection (a).

11 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
12 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
13 7-6-17; 100-587, eff. 6-4-18; 100-863, eff. 8-14-18.)

14 (30 ILCS 330/7.8 new)

15 Sec. 7.8. State Serial Long Term Pension Obligation Bonds.

16 (a) As used in this Act, "State Serial Long Term Pension
17 Obligation Bonds" means Bonds authorized by this amendatory Act
18 of the 101st General Assembly and used for the purposes set
19 forth in this Section.

20 (b) State Serial Long Term Pension Obligation Bonds in the
21 amount of \$105,620,000,000 are hereby authorized to be used for
22 the purposes set forth in this Section.

23 (c) The proceeds of State Serial Long Term Pension
24 Obligation Bonds authorized in subsection (b) of this Section
25 shall be deposited directly into the State Serial Long Term

1 Pension Obligation Bond Fund, and the Comptroller and the
2 Treasurer shall, as soon as practical, make payments as
3 contemplated by subsection (d) of this Section.

4 (d) There is created the State Serial Long Term Pension
5 Obligation Bond Fund as a special fund in the State Treasury.
6 Funds deposited in the State Serial Long Term Pension
7 Obligation Bond Fund may be used only to make payments to the
8 State pension systems on a pro-rated basis in an amount
9 sufficient to bring the actuarially accrued unfunded liability
10 of each individual Fund to a 90% level. Notwithstanding any
11 other provision of law, each retirement system under Article
12 14, 15, or 16 of the Illinois Pension Code shall establish a
13 designated investment fund for 36% of the bond proceeds it
14 receives from any bond issuance authorized by this amendatory
15 Act of the 101st General Assembly. The designated investment
16 fund shall be used solely for the purposes of taking advantage
17 of interest arbitrage from the bond proceeds and for making
18 debt service contributions related to the bonds issued under
19 this amendatory Act of the 101st General Assembly.

20 (30 ILCS 330/9) (from Ch. 127, par. 659)

21 Sec. 9. Conditions for issuance and sale of Bonds;
22 requirements for Bonds.

23 (a) Except as otherwise provided in this subsection,
24 subsection (h), and subsection (i), and subsection (j), Bonds
25 shall be issued and sold from time to time, in one or more

1 series, in such amounts and at such prices as may be directed
2 by the Governor, upon recommendation by the Director of the
3 Governor's Office of Management and Budget. Bonds shall be in
4 such form (either coupon, registered or book entry), in such
5 denominations, payable within 25 years from their date, subject
6 to such terms of redemption with or without premium, bear
7 interest payable at such times and at such fixed or variable
8 rate or rates, and be dated as shall be fixed and determined by
9 the Director of the Governor's Office of Management and Budget
10 in the order authorizing the issuance and sale of any series of
11 Bonds, which order shall be approved by the Governor and is
12 herein called a "Bond Sale Order"; provided however, that
13 interest payable at fixed or variable rates shall not exceed
14 that permitted in the Bond Authorization Act, as now or
15 hereafter amended. Bonds shall be payable at such place or
16 places, within or without the State of Illinois, and may be
17 made registrable as to either principal or as to both principal
18 and interest, as shall be specified in the Bond Sale Order.
19 Bonds may be callable or subject to purchase and retirement or
20 tender and remarketing as fixed and determined in the Bond Sale
21 Order. Bonds, other than Bonds issued under Section 3 of this
22 Act for the costs associated with the purchase and
23 implementation of information technology, (i) except for
24 refunding Bonds satisfying the requirements of Section 16 of
25 this Act and sold during fiscal year 2009, 2010, 2011, 2017,
26 2018, or 2019 must be issued with principal or mandatory

1 redemption amounts in equal amounts, with the first maturity
2 issued occurring within the fiscal year in which the Bonds are
3 issued or within the next succeeding fiscal year and (ii) must
4 mature or be subject to mandatory redemption each fiscal year
5 thereafter up to 25 years, except for refunding Bonds
6 satisfying the requirements of Section 16 of this Act and sold
7 during fiscal year 2009, 2010, or 2011 which must mature or be
8 subject to mandatory redemption each fiscal year thereafter up
9 to 16 years. Bonds issued under Section 3 of this Act for the
10 costs associated with the purchase and implementation of
11 information technology must be issued with principal or
12 mandatory redemption amounts in equal amounts, with the first
13 maturity issued occurring with the fiscal year in which the
14 respective bonds are issued or with the next succeeding fiscal
15 year, with the respective bonds issued maturing or subject to
16 mandatory redemption each fiscal year thereafter up to 10
17 years. Notwithstanding any provision of this Act to the
18 contrary, the Bonds authorized by Public Act 96-43 shall be
19 payable within 5 years from their date and must be issued with
20 principal or mandatory redemption amounts in equal amounts,
21 with payment of principal or mandatory redemption beginning in
22 the first fiscal year following the fiscal year in which the
23 Bonds are issued.

24 Notwithstanding any provision of this Act to the contrary,
25 the Bonds authorized by Public Act 96-1497 shall be payable
26 within 8 years from their date and shall be issued with payment

1 of maturing principal or scheduled mandatory redemptions in
2 accordance with the following schedule, except the following
3 amounts shall be prorated if less than the total additional
4 amount of Bonds authorized by Public Act 96-1497 are issued:

5	Fiscal Year After Issuance	Amount
6	1-2	\$0
7	3	\$110,712,120
8	4	\$332,136,360
9	5	\$664,272,720
10	6-8	\$996,409,080

11 Notwithstanding any provision of this Act to the contrary,
12 Income Tax Proceed Bonds issued under Section 7.6 shall be
13 payable 12 years from the date of sale and shall be issued with
14 payment of principal or mandatory redemption.

15 In the case of any series of Bonds bearing interest at a
16 variable interest rate ("Variable Rate Bonds"), in lieu of
17 determining the rate or rates at which such series of Variable
18 Rate Bonds shall bear interest and the price or prices at which
19 such Variable Rate Bonds shall be initially sold or remarketed
20 (in the event of purchase and subsequent resale), the Bond Sale
21 Order may provide that such interest rates and prices may vary
22 from time to time depending on criteria established in such
23 Bond Sale Order, which criteria may include, without
24 limitation, references to indices or variations in interest
25 rates as may, in the judgment of a remarketing agent, be
26 necessary to cause Variable Rate Bonds of such series to be

1 remarketable from time to time at a price equal to their
2 principal amount, and may provide for appointment of a bank,
3 trust company, investment bank, or other financial institution
4 to serve as remarketing agent in that connection. The Bond Sale
5 Order may provide that alternative interest rates or provisions
6 for establishing alternative interest rates, different
7 security or claim priorities, or different call or amortization
8 provisions will apply during such times as Variable Rate Bonds
9 of any series are held by a person providing credit or
10 liquidity enhancement arrangements for such Bonds as
11 authorized in subsection (b) of this Section. The Bond Sale
12 Order may also provide for such variable interest rates to be
13 established pursuant to a process generally known as an auction
14 rate process and may provide for appointment of one or more
15 financial institutions to serve as auction agents and
16 broker-dealers in connection with the establishment of such
17 interest rates and the sale and remarketing of such Bonds.

18 (b) In connection with the issuance of any series of Bonds,
19 the State may enter into arrangements to provide additional
20 security and liquidity for such Bonds, including, without
21 limitation, bond or interest rate insurance or letters of
22 credit, lines of credit, bond purchase contracts, or other
23 arrangements whereby funds are made available to retire or
24 purchase Bonds, thereby assuring the ability of owners of the
25 Bonds to sell or redeem their Bonds. The State may enter into
26 contracts and may agree to pay fees to persons providing such

1 arrangements, but only under circumstances where the Director
2 of the Governor's Office of Management and Budget certifies
3 that he or she reasonably expects the total interest paid or to
4 be paid on the Bonds, together with the fees for the
5 arrangements (being treated as if interest), would not, taken
6 together, cause the Bonds to bear interest, calculated to their
7 stated maturity, at a rate in excess of the rate that the Bonds
8 would bear in the absence of such arrangements.

9 The State may, with respect to Bonds issued or anticipated
10 to be issued, participate in and enter into arrangements with
11 respect to interest rate protection or exchange agreements,
12 guarantees, or financial futures contracts for the purpose of
13 limiting, reducing, or managing interest rate exposure. The
14 authority granted under this paragraph, however, shall not
15 increase the principal amount of Bonds authorized to be issued
16 by law. The arrangements may be executed and delivered by the
17 Director of the Governor's Office of Management and Budget on
18 behalf of the State. Net payments for such arrangements shall
19 constitute interest on the Bonds and shall be paid from the
20 General Obligation Bond Retirement and Interest Fund. The
21 Director of the Governor's Office of Management and Budget
22 shall at least annually certify to the Governor and the State
23 Comptroller his or her estimate of the amounts of such net
24 payments to be included in the calculation of interest required
25 to be paid by the State.

26 (c) Prior to the issuance of any Variable Rate Bonds

1 pursuant to subsection (a), the Director of the Governor's
2 Office of Management and Budget shall adopt an interest rate
3 risk management policy providing that the amount of the State's
4 variable rate exposure with respect to Bonds shall not exceed
5 20%. This policy shall remain in effect while any Bonds are
6 outstanding and the issuance of Bonds shall be subject to the
7 terms of such policy. The terms of this policy may be amended
8 from time to time by the Director of the Governor's Office of
9 Management and Budget but in no event shall any amendment cause
10 the permitted level of the State's variable rate exposure with
11 respect to Bonds to exceed 20%.

12 (d) "Build America Bonds" in this Section means Bonds
13 authorized by Section 54AA of the Internal Revenue Code of
14 1986, as amended ("Internal Revenue Code"), and bonds issued
15 from time to time to refund or continue to refund "Build
16 America Bonds".

17 (e) Notwithstanding any other provision of this Section,
18 Qualified School Construction Bonds shall be issued and sold
19 from time to time, in one or more series, in such amounts and
20 at such prices as may be directed by the Governor, upon
21 recommendation by the Director of the Governor's Office of
22 Management and Budget. Qualified School Construction Bonds
23 shall be in such form (either coupon, registered or book
24 entry), in such denominations, payable within 25 years from
25 their date, subject to such terms of redemption with or without
26 premium, and if the Qualified School Construction Bonds are

1 issued with a supplemental coupon, bear interest payable at
2 such times and at such fixed or variable rate or rates, and be
3 dated as shall be fixed and determined by the Director of the
4 Governor's Office of Management and Budget in the order
5 authorizing the issuance and sale of any series of Qualified
6 School Construction Bonds, which order shall be approved by the
7 Governor and is herein called a "Bond Sale Order"; except that
8 interest payable at fixed or variable rates, if any, shall not
9 exceed that permitted in the Bond Authorization Act, as now or
10 hereafter amended. Qualified School Construction Bonds shall
11 be payable at such place or places, within or without the State
12 of Illinois, and may be made registrable as to either principal
13 or as to both principal and interest, as shall be specified in
14 the Bond Sale Order. Qualified School Construction Bonds may be
15 callable or subject to purchase and retirement or tender and
16 remarketing as fixed and determined in the Bond Sale Order.
17 Qualified School Construction Bonds must be issued with
18 principal or mandatory redemption amounts or sinking fund
19 payments into the General Obligation Bond Retirement and
20 Interest Fund (or subaccount therefor) in equal amounts, with
21 the first maturity issued, mandatory redemption payment or
22 sinking fund payment occurring within the fiscal year in which
23 the Qualified School Construction Bonds are issued or within
24 the next succeeding fiscal year, with Qualified School
25 Construction Bonds issued maturing or subject to mandatory
26 redemption or with sinking fund payments thereof deposited each

1 fiscal year thereafter up to 25 years. Sinking fund payments
2 set forth in this subsection shall be permitted only to the
3 extent authorized in Section 54F of the Internal Revenue Code
4 or as otherwise determined by the Director of the Governor's
5 Office of Management and Budget. "Qualified School
6 Construction Bonds" in this subsection means Bonds authorized
7 by Section 54F of the Internal Revenue Code and for bonds
8 issued from time to time to refund or continue to refund such
9 "Qualified School Construction Bonds".

10 (f) Beginning with the next issuance by the Governor's
11 Office of Management and Budget to the Procurement Policy Board
12 of a request for quotation for the purpose of formulating a new
13 pool of qualified underwriting banks list, all entities
14 responding to such a request for quotation for inclusion on
15 that list shall provide a written report to the Governor's
16 Office of Management and Budget and the Illinois Comptroller.
17 The written report submitted to the Comptroller shall (i) be
18 published on the Comptroller's Internet website and (ii) be
19 used by the Governor's Office of Management and Budget for the
20 purposes of scoring such a request for quotation. The written
21 report, at a minimum, shall:

22 (1) disclose whether, within the past 3 months,
23 pursuant to its credit default swap market-making
24 activities, the firm has entered into any State of Illinois
25 credit default swaps ("CDS");

26 (2) include, in the event of State of Illinois CDS

1 activity, disclosure of the firm's cumulative notional
2 volume of State of Illinois CDS trades and the firm's
3 outstanding gross and net notional amount of State of
4 Illinois CDS, as of the end of the current 3-month period;

5 (3) indicate, pursuant to the firm's proprietary
6 trading activities, disclosure of whether the firm, within
7 the past 3 months, has entered into any proprietary trades
8 for its own account in State of Illinois CDS;

9 (4) include, in the event of State of Illinois
10 proprietary trades, disclosure of the firm's outstanding
11 gross and net notional amount of proprietary State of
12 Illinois CDS and whether the net position is short or long
13 credit protection, as of the end of the current 3-month
14 period;

15 (5) list all time periods during the past 3 months
16 during which the firm held net long or net short State of
17 Illinois CDS proprietary credit protection positions, the
18 amount of such positions, and whether those positions were
19 net long or net short credit protection positions; and

20 (6) indicate whether, within the previous 3 months, the
21 firm released any publicly available research or marketing
22 reports that reference State of Illinois CDS and include
23 those research or marketing reports as attachments.

24 (g) All entities included on a Governor's Office of
25 Management and Budget's pool of qualified underwriting banks
26 list shall, as soon as possible after March 18, 2011 (the

1 effective date of Public Act 96-1554), but not later than
2 January 21, 2011, and on a quarterly fiscal basis thereafter,
3 provide a written report to the Governor's Office of Management
4 and Budget and the Illinois Comptroller. The written reports
5 submitted to the Comptroller shall be published on the
6 Comptroller's Internet website. The written reports, at a
7 minimum, shall:

8 (1) disclose whether, within the past 3 months,
9 pursuant to its credit default swap market-making
10 activities, the firm has entered into any State of Illinois
11 credit default swaps ("CDS");

12 (2) include, in the event of State of Illinois CDS
13 activity, disclosure of the firm's cumulative notional
14 volume of State of Illinois CDS trades and the firm's
15 outstanding gross and net notional amount of State of
16 Illinois CDS, as of the end of the current 3-month period;

17 (3) indicate, pursuant to the firm's proprietary
18 trading activities, disclosure of whether the firm, within
19 the past 3 months, has entered into any proprietary trades
20 for its own account in State of Illinois CDS;

21 (4) include, in the event of State of Illinois
22 proprietary trades, disclosure of the firm's outstanding
23 gross and net notional amount of proprietary State of
24 Illinois CDS and whether the net position is short or long
25 credit protection, as of the end of the current 3-month
26 period;

1 (5) list all time periods during the past 3 months
2 during which the firm held net long or net short State of
3 Illinois CDS proprietary credit protection positions, the
4 amount of such positions, and whether those positions were
5 net long or net short credit protection positions; and

6 (6) indicate whether, within the previous 3 months, the
7 firm released any publicly available research or marketing
8 reports that reference State of Illinois CDS and include
9 those research or marketing reports as attachments.

10 (h) Notwithstanding any other provision of this Section,
11 for purposes of maximizing market efficiencies and cost
12 savings, Income Tax Proceed Bonds may be issued and sold from
13 time to time, in one or more series, in such amounts and at
14 such prices as may be directed by the Governor, upon
15 recommendation by the Director of the Governor's Office of
16 Management and Budget. Income Tax Proceed Bonds shall be in
17 such form, either coupon, registered, or book entry, in such
18 denominations, shall bear interest payable at such times and at
19 such fixed or variable rate or rates, and be dated as shall be
20 fixed and determined by the Director of the Governor's Office
21 of Management and Budget in the order authorizing the issuance
22 and sale of any series of Income Tax Proceed Bonds, which order
23 shall be approved by the Governor and is herein called a "Bond
24 Sale Order"; provided, however, that interest payable at fixed
25 or variable rates shall not exceed that permitted in the Bond
26 Authorization Act. Income Tax Proceed Bonds shall be payable at

1 such place or places, within or without the State of Illinois,
2 and may be made registrable as to either principal or as to
3 both principal and interest, as shall be specified in the Bond
4 Sale Order. Income Tax Proceed Bonds may be callable or subject
5 to purchase and retirement or tender and remarketing as fixed
6 and determined in the Bond Sale Order.

7 (i) Notwithstanding any other provision of this Section,
8 for purposes of maximizing market efficiencies and cost
9 savings, State Pension Obligation Acceleration Bonds may be
10 issued and sold from time to time, in one or more series, in
11 such amounts and at such prices as may be directed by the
12 Governor, upon recommendation by the Director of the Governor's
13 Office of Management and Budget. State Pension Obligation
14 Acceleration Bonds shall be in such form, either coupon,
15 registered, or book entry, in such denominations, shall bear
16 interest payable at such times and at such fixed or variable
17 rate or rates, and be dated as shall be fixed and determined by
18 the Director of the Governor's Office of Management and Budget
19 in the order authorizing the issuance and sale of any series of
20 State Pension Obligation Acceleration Bonds, which order shall
21 be approved by the Governor and is herein called a "Bond Sale
22 Order"; provided, however, that interest payable at fixed or
23 variable rates shall not exceed that permitted in the Bond
24 Authorization Act. State Pension Obligation Acceleration Bonds
25 shall be payable at such place or places, within or without the
26 State of Illinois, and may be made registrable as to either

1 principal or as to both principal and interest, as shall be
2 specified in the Bond Sale Order. State Pension Obligation
3 Acceleration Bonds may be callable or subject to purchase and
4 retirement or tender and remarketing as fixed and determined in
5 the Bond Sale Order.

6 (j) Notwithstanding any other provision of this Section,
7 for purposes of maximizing market efficiencies and cost
8 savings, State Serial Long Term Pension Obligation Bonds may be
9 issued and sold from time to time, in one or more series, in
10 such amounts and at such prices as may be directed by the
11 Governor, upon recommendation by the Director of the Governor's
12 Office of Management and Budget. State Serial Long Term Pension
13 Obligation Bonds shall be in such form, either coupon,
14 registered, or book entry, in such denominations, shall bear
15 interest payable at such times and at such fixed or variable
16 rate or rates, and be dated as shall be fixed and determined by
17 the Director of the Governor's Office of Management and Budget
18 in the order authorizing the issuance and sale of any series of
19 State Serial Long Term Pension Obligation Bonds, which order
20 shall be approved by the Governor and is herein called a "Bond
21 Sale Order"; provided, however, that interest payable at fixed
22 or variable rates shall not exceed that permitted in the Bond
23 Authorization Act. State Serial Long Term Pension Obligation
24 Bonds shall be payable at such place or places, within or
25 without the State of Illinois, and may be made registrable as
26 to either principal or as to both principal and interest, as

1 shall be specified in the Bond Sale Order. State Serial Long
2 Term Pension Obligation Bonds may be callable or subject to
3 purchase and retirement or tender and remarketing as fixed and
4 determined in the Bond Sale Order. The term of such State
5 Serial Long Term Pension Obligation Bonds shall not exceed 30
6 years.

7 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
8 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
9 7-6-17; 100-587, Article 60, Section 60-5, eff. 6-4-18;
10 100-587, Article 110, Section 110-15, eff. 6-4-18; 100-863,
11 eff. 8-14-18; revised 10-17-18.)

12 (30 ILCS 330/11) (from Ch. 127, par. 661)

13 Sec. 11. Sale of Bonds. Except as otherwise provided in
14 this Section, Bonds shall be sold from time to time pursuant to
15 notice of sale and public bid or by negotiated sale in such
16 amounts and at such times as is directed by the Governor, upon
17 recommendation by the Director of the Governor's Office of
18 Management and Budget. At least 25%, based on total principal
19 amount, of all Bonds issued each fiscal year shall be sold
20 pursuant to notice of sale and public bid. At all times during
21 each fiscal year, no more than 75%, based on total principal
22 amount, of the Bonds issued each fiscal year, shall have been
23 sold by negotiated sale. Failure to satisfy the requirements in
24 the preceding 2 sentences shall not affect the validity of any
25 previously issued Bonds; provided that all Bonds authorized by

1 Public Act 96-43 and Public Act 96-1497 shall not be included
2 in determining compliance for any fiscal year with the
3 requirements of the preceding 2 sentences; and further provided
4 that refunding Bonds satisfying the requirements of Section 16
5 of this Act and sold during fiscal year 2009, 2010, 2011, 2017,
6 2018, or 2019 shall not be subject to the requirements in the
7 preceding 2 sentences.

8 If any Bonds, including refunding Bonds, are to be sold by
9 negotiated sale, the Director of the Governor's Office of
10 Management and Budget shall comply with the competitive request
11 for proposal process set forth in the Illinois Procurement Code
12 and all other applicable requirements of that Code.

13 If Bonds are to be sold pursuant to notice of sale and
14 public bid, the Director of the Governor's Office of Management
15 and Budget may, from time to time, as Bonds are to be sold,
16 advertise the sale of the Bonds in at least 2 daily newspapers,
17 one of which is published in the City of Springfield and one in
18 the City of Chicago. The sale of the Bonds shall also be
19 advertised in the volume of the Illinois Procurement Bulletin
20 that is published by the Department of Central Management
21 Services, and shall be published once at least 10 days prior to
22 the date fixed for the opening of the bids. The Director of the
23 Governor's Office of Management and Budget may reschedule the
24 date of sale upon the giving of such additional notice as the
25 Director deems adequate to inform prospective bidders of such
26 change; provided, however, that all other conditions of the

1 sale shall continue as originally advertised.

2 Executed Bonds shall, upon payment therefor, be delivered
3 to the purchaser, and the proceeds of Bonds shall be paid into
4 the State Treasury as directed by Section 12 of this Act.

5 All Income Tax Proceed Bonds shall comply with this
6 Section. Notwithstanding anything to the contrary, however,
7 for purposes of complying with this Section, Income Tax Proceed
8 Bonds, regardless of the number of series or issuances sold
9 thereunder, shall be considered a single issue or series.
10 Furthermore, for purposes of complying with the competitive
11 bidding requirements of this Section, the words "at all times"
12 shall not apply to any such sale of the Income Tax Proceed
13 Bonds. The Director of the Governor's Office of Management and
14 Budget shall determine the time and manner of any competitive
15 sale of the Income Tax Proceed Bonds; however, that sale shall
16 under no circumstances take place later than 60 days after the
17 State closes the sale of 75% of the Income Tax Proceed Bonds by
18 negotiated sale.

19 All State Pension Obligation Acceleration Bonds shall
20 comply with this Section. Notwithstanding anything to the
21 contrary, however, for purposes of complying with this Section,
22 State Pension Obligation Acceleration Bonds, regardless of the
23 number of series or issuances sold thereunder, shall be
24 considered a single issue or series. Furthermore, for purposes
25 of complying with the competitive bidding requirements of this
26 Section, the words "at all times" shall not apply to any such

1 sale of the State Pension Obligation Acceleration Bonds. The
2 Director of the Governor's Office of Management and Budget
3 shall determine the time and manner of any competitive sale of
4 the State Pension Obligation Acceleration Bonds; however, that
5 sale shall under no circumstances take place later than 60 days
6 after the State closes the sale of 75% of the State Pension
7 Obligation Acceleration Bonds by negotiated sale.

8 All State Serial Long Term Pension Obligation Bonds shall
9 comply with this Section. Notwithstanding anything to the
10 contrary, however, for purposes of complying with this Section,
11 State Serial Long Term Pension Obligation Bonds, regardless of
12 the number of series or issuances sold thereunder, shall be
13 considered a single issue or series. Furthermore, for purposes
14 of complying with the competitive bidding requirements of this
15 Section, the words "at all times" shall not apply to any such
16 sale of the State Serial Long Term Pension Obligation Bonds.
17 The Director of the Governor's Office of Management and Budget
18 shall determine the time and manner of any competitive sale of
19 the State Serial Long Term Pension Obligation Bonds; however,
20 that sale shall under no circumstances take place later than 60
21 days after the State closes the sale of 75% of the State Serial
22 Long Term Pension Obligation Bonds by negotiated sale.

23 (Source: P.A. 99-523, eff. 6-30-16; 100-23, Article 25, Section
24 25-5, eff. 7-6-17; 100-23, Article 75, Section 75-10, eff.
25 7-6-17; 100-587, Article 60, Section 60-5, eff. 6-4-18;
26 100-587, Article 110, Section 110-15, eff. 6-4-18; 100-863,

1 eff. 8-4-18; revised 10-10-18.)

2 (30 ILCS 330/12) (from Ch. 127, par. 662)

3 Sec. 12. Allocation of proceeds from sale of Bonds.

4 (a) Proceeds from the sale of Bonds, authorized by Section
5 3 of this Act, shall be deposited in the separate fund known as
6 the Capital Development Fund.

7 (b) Proceeds from the sale of Bonds, authorized by
8 paragraph (a) of Section 4 of this Act, shall be deposited in
9 the separate fund known as the Transportation Bond, Series A
10 Fund.

11 (c) Proceeds from the sale of Bonds, authorized by
12 paragraphs (b) and (c) of Section 4 of this Act, shall be
13 deposited in the separate fund known as the Transportation
14 Bond, Series B Fund.

15 (c-1) Proceeds from the sale of Bonds, authorized by
16 paragraph (d) of Section 4 of this Act, shall be deposited into
17 the Transportation Bond Series D Fund, which is hereby created.

18 (d) Proceeds from the sale of Bonds, authorized by Section
19 5 of this Act, shall be deposited in the separate fund known as
20 the School Construction Fund.

21 (e) Proceeds from the sale of Bonds, authorized by Section
22 6 of this Act, shall be deposited in the separate fund known as
23 the Anti-Pollution Fund.

24 (f) Proceeds from the sale of Bonds, authorized by Section
25 7 of this Act, shall be deposited in the separate fund known as

1 the Coal Development Fund.

2 (f-2) Proceeds from the sale of Bonds, authorized by
3 Section 7.2 of this Act, shall be deposited as set forth in
4 Section 7.2.

5 (f-5) Proceeds from the sale of Bonds, authorized by
6 Section 7.5 of this Act, shall be deposited as set forth in
7 Section 7.5.

8 (f-7) Proceeds from the sale of Bonds, authorized by
9 Section 7.6 of this Act, shall be deposited as set forth in
10 Section 7.6.

11 (f-8) Proceeds from the sale of Bonds, authorized by
12 Section 7.7 of this Act, shall be deposited as set forth in
13 Section 7.7.

14 (f-9) Proceeds from the sale of Bonds, authorized by
15 Section 7.8 of this Act, shall be deposited as set forth in
16 Section 7.8.

17 (g) Proceeds from the sale of Bonds, authorized by Section
18 8 of this Act, shall be deposited in the Capital Development
19 Fund.

20 (h) Subsequent to the issuance of any Bonds for the
21 purposes described in Sections 2 through 8 of this Act, the
22 Governor and the Director of the Governor's Office of
23 Management and Budget may provide for the reallocation of
24 unspent proceeds of such Bonds to any other purposes authorized
25 under said Sections of this Act, subject to the limitations on
26 aggregate principal amounts contained therein. Upon any such

1 reallocation, such unspent proceeds shall be transferred to the
2 appropriate funds as determined by reference to paragraphs (a)
3 through (g) of this Section.

4 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

5 (30 ILCS 330/13) (from Ch. 127, par. 663)

6 Sec. 13. Appropriation of proceeds from sale of Bonds.

7 (a) At all times, the proceeds from the sale of Bonds
8 issued pursuant to this Act are subject to appropriation by the
9 General Assembly and, except as provided in Sections 7.2, 7.6,
10 ~~and~~ 7.7, and 7.8, may be obligated or expended only with the
11 written approval of the Governor, in such amounts, at such
12 times, and for such purposes as the respective State agencies,
13 as defined in Section 1-7 of the Illinois State Auditing Act,
14 as amended, deem necessary or desirable for the specific
15 purposes contemplated in Sections 2 through 8 of this Act.
16 Notwithstanding any other provision of this Act, proceeds from
17 the sale of Bonds issued pursuant to this Act appropriated by
18 the General Assembly to the Architect of the Capitol may be
19 obligated or expended by the Architect of the Capitol without
20 the written approval of the Governor.

21 (b) Proceeds from the sale of Bonds for the purpose of
22 development of coal and alternative forms of energy shall be
23 expended in such amounts and at such times as the Department of
24 Commerce and Economic Opportunity, with the advice and
25 recommendation of the Illinois Coal Development Board for coal

1 development projects, may deem necessary and desirable for the
2 specific purpose contemplated by Section 7 of this Act. In
3 considering the approval of projects to be funded, the
4 Department of Commerce and Economic Opportunity shall give
5 special consideration to projects designed to remove sulfur and
6 other pollutants in the preparation and utilization of coal,
7 and in the use and operation of electric utility generating
8 plants and industrial facilities which utilize Illinois coal as
9 their primary source of fuel.

10 (c) Except as directed in subsection (c-1) or (c-2), any
11 monies received by any officer or employee of the state
12 representing a reimbursement of expenditures previously paid
13 from general obligation bond proceeds shall be deposited into
14 the General Obligation Bond Retirement and Interest Fund
15 authorized in Section 14 of this Act.

16 (c-1) Any money received by the Department of
17 Transportation as reimbursement for expenditures for high
18 speed rail purposes pursuant to appropriations from the
19 Transportation Bond, Series B Fund for (i) CREATE (Chicago
20 Region Environmental and Transportation Efficiency), (ii) High
21 Speed Rail, or (iii) AMTRAK projects authorized by the federal
22 government under the provisions of the American Recovery and
23 Reinvestment Act of 2009 or the Safe Accountable Flexible
24 Efficient Transportation Equity Act-A Legacy for Users
25 (SAFETEA-LU), or any successor federal transportation
26 authorization Act, shall be deposited into the Federal High

1 Speed Rail Trust Fund.

2 (c-2) Any money received by the Department of
3 Transportation as reimbursement for expenditures for transit
4 capital purposes pursuant to appropriations from the
5 Transportation Bond, Series B Fund for projects authorized by
6 the federal government under the provisions of the American
7 Recovery and Reinvestment Act of 2009 or the Safe Accountable
8 Flexible Efficient Transportation Equity Act-A Legacy for
9 Users (SAFETEA-LU), or any successor federal transportation
10 authorization Act, shall be deposited into the Federal Mass
11 Transit Trust Fund.

12 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

13 Section 10. The State Pension Funds Continuing
14 Appropriation Act is amended by adding Section 1.10 as follows:

15 (40 ILCS 15/1.10 new)

16 Sec. 1.10. Appropriations for State Serial Long Term
17 Pension Obligation Bonds. If for any reason the aggregate
18 appropriations made available are insufficient to meet the
19 levels required for the payment of principal and interest due
20 on State Serial Long Term Pension Obligation Bonds under
21 Section 7.8 of the General Obligation Bond Act, this Section
22 shall constitute a continuing appropriation of all amounts
23 necessary for those purposes.

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.